

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
FILING OF MORGAN COUNTY WATER) CASE NO. 2010-00452
DISTRICT)

O R D E R

On November 22, 2010, Morgan County Water District (“Morgan County”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Morgan County purchases water from West Liberty Water Works (“West Liberty”) and Cave Run Water Commission (“Cave Run”).
2. West Liberty notified Morgan County that, effective January 1, 2011, West Liberty’s wholesale water rate to Morgan County would increase from \$2.67 per 1,000 gallons to \$2.79 per 1,000 gallons. Morgan County proposes to increase the water rates to its customers effective January 1, 2011.
3. During the 12 months ending October 31, 2010, Morgan County purchased 107,522,000 gallons of water from Cave Run and 121,368,000 gallons of water from West Liberty. During that period, Morgan County sold 149,189,890 gallons

¹ KRS 278.015; 807 KAR 5:068.

of water. The increase in the cost of purchased water is \$14,564.16, resulting in a purchased water adjustment of \$0.10 per 1,000 gallons.

4. Morgan County's proposed rates should be approved.

5. The purchased water adjustment of \$0.10 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

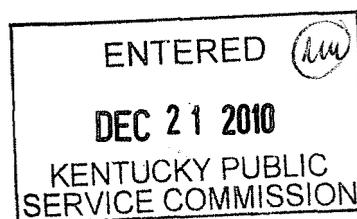
1. Morgan County's proposed rates are approved.

2. The purchased water adjustment of \$0.10 per 1,000 gallons as calculated in Appendix A is approved.

3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on or after January 1, 2011.

4. Within 20 days of the date of this Order, Morgan County shall file revised tariff sheets with the Commission showing the rates approved herein.

By the Commission



ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00452 DATED **DEC 21 2010**

	New Rate	Base Rate
Morgan County Water		
Purchases in gallons	121,368,000	121,368,000
Volumetric rate	<u>\$ 2.79/1,000</u>	<u>\$ 2.67/1,000</u>
	\$338,616.72	\$324,052.56
Increased water cost		\$14,564.16
Increased water cost		\$ 14,564.16
Divided by gallons sold		<u>149,189,890</u>
Purchased water adjustment factor		\$ 0.10 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00452 DATED DEC 21 2010

The following rates and charges are prescribed for the customers in the area served by Morgan County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8" x 3/4" Meter

First	2,000 Gallons	\$ 20.79 Minimum Bill
Next	3,000 Gallons	7.52 Per 1,000 Gallons
Next	5,000 Gallons	6.92 Per 1,000 Gallons
Next	5,000 Gallons	6.32 Per 1,000 Gallons
Over	15,000 Gallons	5.72 Per 1,000 Gallons

1" Meter

First	5,000 Gallons	\$ 43.45 Minimum Bill
Next	5,000 Gallons	6.92 Per 1,000 Gallons
Next	5,000 Gallons	6.32 Per 1,000 Gallons
Over	15,000 Gallons	5.72 Per 1,000 Gallons

2" Meter

First	15,000 Gallons	\$ 108.65 Minimum Bill
Over	15,000 Gallons	5.72 Per 1,000 Gallons

Wholesale Rate

City of Campton	\$ 3.04 Per 1,000 Gallons
City of Frenchburg	\$ 3.04 Per 1,000 Gallons

Cindy Montgomery
Manager
Morgan County Water District
408 Prestonsburg Street
West Liberty, KY 41472